UNITED STATES DISTRI DISTRICT OF MASSAC	CT COURT	NUED RTS LEFICE		
DISTRICT OF MASSIVE	12:577 12	P 12: 25		

RISO, INC., Plaintiff,	34 - 12397 GAO
V.	CIVIL ACTION NO
GREAT AMERICAN INSURANCE MAG	STRATE JUDGE (10) 11/19
COMPANY, GREAT AMERICAN INSURANCE COMPANY OF NEW YORK, GREAT AMERICAN ASSURANCE COMPANY, AND GREAT AMERICAN	) ) ) RECEIPT #
ALLIANCE INSURANCE COMPANY,  Defendants.	AMOUNT \$ 15 U  SUMMONS ISSUED N/A  LOCAL RULE 4.1  WAIVER FORM
NOTICE OF	MCF ISSUED

In accordance with 28 U.S.C. §§ 1332, 1441 and 1446, defendants Great American Insurance Company ("Great American"), Great American Insurance Company of New York ("Great American NY"), Great American Assurance Company ("Great American Assurance"), and Great American Alliance Insurance Company ("Great American Alliance") hereby remove the above-captioned action from the Superior Court of the Commonwealth of Massachusetts in and for the County of Suffolk to the United States District Court for the District of Massachusetts. As grounds for this removal, defendants state as follows:

1. On October 27, 2004, plaintiff Riso, Inc. ("Riso") filed a civil action against defendants in the Superior Court of the Commonwealth of Massachusetts in and for the County of Suffolk entitled Riso, Inc. v. Great American Insurance Company, Great American Insurance Company of New York, Great American Assurance Company, and Great American Alliance Insurance Company, Civil Action No. 04-4683 ("the State Court Action"). Copies of all process,

pleadings and orders served upon the defendants in the State Court Action are filed concurrently with this Notice.

- 2. The initial pleading setting forth the claim for relief upon which the State Court Action is based is the Complaint, a copy of which is included among the documents filed herewith. Defendants first received the Complaint on October 27, 2004. As required by 28 U.S.C. § 1446(b), this Notice of Removal is being filed within 30 days after defendants' first receipt of that pleading.
- 3. This action is one over which this Court has original jurisdiction under 28 U.S.C. § 1332, and is one that may be removed to this Court in accordance with 28 U.S.C. § 1441, in that the action involves a controversy between citizens of different states and the amount in controversy exceeds \$75,000, exclusive of interest and costs.
- a. As alleged in the Complaint, plaintiff, at the time the State Court Action was commenced, was a corporation organized under the laws of Massachusetts, with its principal place of business in Danvers, Massachusetts.
- b. At the time the State Court Action was commenced, defendants Great American Alliance, Great American Assurance and Great American were corporations organized under the laws of Ohio, with their principal places of business in Cincinnati, Ohio.
- c. At the time the State Court Action was commenced, defendant Great American NY was a corporation organized under the laws of New York with its principal place of business in Cincinnati, Ohio.
- d. Plaintiff seeks in its Complaint in the State Court Action relief that, if granted, will cause defendants to incur damages well in excess of \$75,000.

- 4. In accordance with Local Rule 81.1(a), defendants will file certified or attested copies of all records and proceedings in the State Court Action and a certified or attested copy of all docket entries therein, including a copy of this Notice of Removal, with this Court within thirty (30) days after filing of this Notice.
- 5. In accordance with 28 U.S.C. § 1446(d), promptly after the filing of this Notice of Removal, defendants will give written notice thereof to plaintiff and will file a copy of such notice with the Superior Court of the Commonwealth of Massachusetts in and for the County of Suffolk in the State Court Action.

WHEREFORE, defendants Great American Insurance Company, Great American Insurance Company of New York, Great American Assurance Company, and Great American Alliance Insurance Company respectfully request that this action be removed from the Superior Court of the Commonwealth of Massachusetts in and for the County of Suffolk to the United States District Court for the District of Massachusetts.

GREAT AMERICAN ALLIANCE INSURANCE COMPANY, GREAT AMERICAN ASSURANCE COMPANY, GREAT AMERICAN INSURANCE COMPANY AND GREAT AMERICAN INSURANCE COMPANY OF NEW YORK

By their attorneys,

Richard H. Nicolaides, Jr. Mary F. Licari Sarah E. Eversman BATES & CAREY LLP 191 N. Wacker Drive, Suite 2400

Chicago, IL 60606 Tel: (312) 762-3100 Fax: (312) 762-3200

Dated: November 12, 2004

158938

A. Hugh Scott (BBO#449160) Robert A. Kole (BBO#633269) CHOATE HALL & STEWART Exchange Place, 53 State Place Boston, MA 02109-2804

Tel: (617) 248-5000 Fax: (617) 248-4000

THEREBY CERTIFY THAT A TRUE COPY OF THE ABOVE DOCUMENT WAS SERVED UPON THE ATTORNEY OF RECORD FOR EACH OTHER PARTY BY MAIL HAND ON:

#### COMMONWEALTH OF MASSACHUSETTS

SUPERIOR COURT SUFFOLK, SS. C.A. No. 04-4683 RISO, INC., PLAINTIFF. COMPLAINT AND v. JURY DEMAND GREAT AMERICAN INSURANCE COMPANY, GREAT AMERICAN INSURANCE COMPANY RECEIVED OF NEW YORK, GREAT AMERICAN ASSURANCE COMPANY, AND GREAT AMERICAN ALLIANCE INSURANCE OCT 27 2004 COMPANY, SHPERIOR COURT - CIVIL MICHAEL JOSEPH DONGVAN DEFENDANTS. CLERK / MAGISTRATE

#### Introduction

Plaintiff, Riso Inc. ("Riso"), seeks a declaration that the defendant insurance companies were obligated to defend and indemnify Riso in connection with a lawsuit titled *Modesto City Schools*, et al. v. Riso, Inc., et al., No. Civ. S 99-2214 DFL DAD (E.D. Cal., filed Nov. 5, 1999) ("Modesto"). Riso also seeks breach-of-contract damages from the defendants for their failure to defend and indemnify Riso in the Modesto litigation.

#### **Parties**

- 1. Riso is a Massachusetts corporation with its principal place of business in Danvers, Massachusetts.
- 2. On information and belief, defendant Great American Insurance Company ("GAIC") is an Ohio corporation with its principal place of business in Ohio. GAIC is licensed to sell insurance in Massachusetts.

- 3. On information and belief, defendant Great American Insurance Company of New York (formerly known as American National Fire Insurance Company) ("GAICNY") is a New York corporation with its principal place of business in Ohio. GAICNY is licensed to sell insurance in Massachusetts.
- 4. On information and belief, defendant Great American Assurance Company (formerly known as Agricultural Insurance Company) ("GAAC") is an Ohio corporation with its principal place of business in Ohio. GAAC is licensed to sell insurance in Massachusetts.
- 5. On information and belief, defendant Great American Alliance Insurance Company (formerly known as American Alliance Insurance Company) ("GAAIC") is an Ohio corporation with its principal place of business in Ohio. GAAIC is licensed to sell insurance in Massachusetts.

### Jurisdiction

6. The defendants are subject to the jurisdiction of this Court pursuant to G.L. c. 223A, § 3.

#### **Facts**

- 7. GAICNY issued to Riso a combination insurance policy bearing Policy No.

  MAC 800-69-20-00, effective from August 1, 1994 to August 1, 1995, that included primary commercial general liability ("CGL") insurance.
- 8. GAIC issued to Riso a combination insurance policy bearing Policy No. MAC 800-69-20-02, effective from August 1, 1995 to August 1, 1996, that included primary CGL insurance.

- 9. GAICNY issued to Riso a combination insurance policy bearing Policy No. PAC 124-18-64-00, effective from August 1, 1996 to August 1, 1997 that included primary CGL insurance.
- 10. GAICNY issued to Riso a combination insurance policy bearing Policy No.

  PAC 124-18-64-01, effective from August 1, 1997 to August 1, 1998 that included primary

  CGL insurance.
- 11. GAICNY issued to Riso a combination insurance policy bearing Policy No. PAC 377-22-25-01, effective from August 1, 1998 to August 1, 1999 that included primary CGL insurance.
- 12. GAICNY issued to Riso a combination insurance policy bearing Policy No. PAC 377-22-25-02, effective from August 1, 1999 to August 1, 2000 that included primary CGL insurance.
- 13. The insurance policies identified in paragraphs 7 through 12, above, are referred to hereinafter as "the Great American CGL policies."
- 14. GAICNY issued to Riso a commercial umbrella insurance policy bearing PolicyNo. UMB 800-69-23-00, effective from August 1, 1994 to August 1, 1995.
- 15. GAAC issued to Riso a commercial umbrella insurance policy bearing Policy No. UMB 800-69-23-01, effective from August 1, 1995 to August 1, 1996.
- 16. GAAC issued to Riso a commercial umbrella insurance policy bearing PolicyNo. UMB 124-18-67-00, effective from August 1, 1996 to August 1, 1997.
- 17. GAAC issued to Riso a commercial umbrella insurance policy bearing Policy No. UMB 377-22-28-01, effective from August 1, 1997 to August 1, 1998.

- 18. GAAIC issued to Riso a commercial umbrella insurance policy bearing PolicyNo. UMB 377-22-28-01, effective from August 1, 1998 to August 1, 1999.
- 19. GAAIC issued to Riso a commercial umbrella insurance policy bearing PolicyNo. UMB 377-22-28-04, effective from August 1, 1999 to August 1, 2000.
- 20. The insurance policies identified in paragraphs 14 through 19, above, are referred to hereinafter as "the Great American Umbrella policies." The Great American CGL policies and the Great American Umbrella policies are referred to collectively as "the Great American policies."
- While the Great American CGL policies do not all use the same policy forms, each provides the same basic coverage for "Personal Injury" caused by an "offense" arising out of the insured's business.
- 22. The Great American CGL policies state, or substantially state, that GAIC "will pay those sums that the Insured becomes legally obligated to pay as damages because of 'personal injury'... to which this coverage part applies," and GAIC will "have the right and duty to defend any 'suit' seeking those damages."
- 23. "This insurance," the Great American CGL policies state, or substantially state, "applies to . . . 'personal injury' caused by an offense arising out of your business, . . . but only if the offense was committed . . . during the policy period."
- 24. The Great American CGL policies define "personal injury" to mean, among other things, "injury, other than bodily injury, arising out of . . . [o]ral or written publication of material that . . . disparages a person's or organization's goods, products or services."

- 25. The Great American Umbrella policies provide insurance, *inter alia*, for "those sums in excess of 'underlying insurance' . . . that the 'Insured' becomes legally obligated to pay as damages because of 'injury' caused by an 'occurrence' to which this insurance applies."
- 26. The Great American CGL policies were among the "underlying insurance" policies listed in the Great American Umbrella policies.
- 27. The Great American Umbrella policies define "injury" to mean, inter alia, "personal injury."
- 28. The Great American Umbrella policies define "personal injury" to mean, among other things, "injury, other than 'bodily injury,' arising out of . . . [o]ral or written publication of material that . . . disparages a person's or organization's goods, products or services."
- 29. Riso is a distributor of Risograph digital-duplicating machines, parts, and supplies.
- 30. In November 1999, two California school districts commenced the *Modesto* litigation as a purported class action on behalf of all public schools and school districts in the United States that own or lease Risographs purchased or leased from Riso or its dealers.
- 31. The original and amended complaints in *Modesto* contained antitrust and unfair-competition claims against Riso. These claims alleged a conspiracy originating in or around October 1994 between Riso and its dealers to "create, preserve and enhance Riso's monopoly power" in the retail markets for Risograph service and supplies through, among other things, the routine, indiscriminate, and false disparagement of non-Riso services and supplies.

- 32. The Modesto litigation invoked GAIC and GAICNY's duty to defend under the Great American CGL policies because the lawsuit alleged damages due to "personal injury" arising out of publication of disparaging material about another's goods, products or services.
  - 33. Riso notified the defendants about the Modesto litigation.
  - 34. GAIC and GAICNY refused to defend Riso in the Modesto litigation.
- 35. The defendants disclaimed any obligation to indemnify Riso with respect to any settlement of or judgment in the *Modesto* litigation.
  - 36. Riso defended the *Modesto* litigation at its own expense.
- 37. Riso settled the *Modesto* litigation with its own funds. Payments made by Riso pursuant to this settlement exceeded the per occurrence and general aggregate limits of any of the individual Great American CGL policies.
- 38. The defendants were obligated to indemnify Riso for the settlement of the *Modesto* litigation because the settlement was attributable to allegations of "offenses" falling within the "personal injury" coverage of the Great American policies.
  - 39. All conditions precedent to suit and recovery have been met.

# Count I (Breach of Contract)

- 40. Riso realleges paragraphs 1-39.
- 41. The Great American policies constitute binding contracts of insurance.
- 42. All premiums due under the Great American policies have been paid.
- 43. Riso has given due performance under the Great American policies.
- 44. GAIC and GAICNY wrongfully refused to defend the *Modesto* litigation, and the defendants wrongfully disclaimed any duty to indemnify Riso in connection with the

Modesto litigation and wrongfully refused to reimburse Riso for the amounts paid by Riso in settling the Modesto litigation.

45. Because of the defendants' breaches of their obligations under the Great American policies, Riso has suffered damages.

## Count II (Declaratory Judgment)

- 46. Riso realleges paragraphs 1-45.
- 47. An actual and substantial controversy exists between the parties concerning the existence and extent of GAIC and GAICNY's obligation to defend and the defendants' duty to indemnify Riso in connection with the *Modesto* litigation.
- 48. This real and immediate controversy over present rights has caused substantial monetary loss to Riso.
- 49. Riso is entitled to a judgment declaring that GAIC and GAICNY had a duty to defend the *Modesto* litigation, and that the defendants had a duty to indemnify Riso for the amounts paid in settlement thereof.

## Requested Relief

WHEREFORE, Riso asks the Court to:

- (A) Enter judgment on Count I in an amount equal to the damages that Riso has incurred as a result of the defendants' breaches of their obligations under the Great American policies, plus interest.
- (B) Enter judgment on Count II by declaring that GAIC and GAICNY are liable under the Great American CGL policies to reimburse Riso for the attorneys' fees and expenses Riso incurred in defending the *Modesto* litigation, and that the

- defendants are liable to reimburse Riso for the full amount of the payment Riso made to settle the *Modesto* litigation.
- (C) Award Riso its costs and attorneys' fees incurred in connection with this litigation.
- (D) Award Riso any further relief that the Court deems just and proper.

## **Jury Trial Demand**

RISO DEMANDS A JURY TRIAL ON ALL ISSUES SO TRIABLE.

RISO, INC.,

By its attorneys,

Martin C. Pentz (BBO # 394050)

Éric P. Magnuson (BBO # 643805)

Nutter, McClennen & Fish, LLP

World Trade Center West

155 Seaport Boulevard

Boston, MA 02210-2604

(617) 439-2000

Dated: October 27, 2004

1373110.2

## UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS

atego	ry in which	the case belongs based upon the numbered nature of suit code listed on the civil cover sheet. (See
	ile 40.1(a)(1	
	I.	160, 410, 470, R.23, REGARDLESS OF NATURE OF SUIT.
	11.	195, 368, 400, 440, 441-444, 540, 550, 555, 625, 710, 720, 730, 740, 790, 791, 820*, 830*, 840*, 850, 890, 892-894, 895, 950.
X	III.	110, 120, 130, 140, 151, 190, 210, 230, 240, 245, 290, 310, 315, 320, 330, 340, 345, 350, 355, 360, 362, 365, 370, 371, 380, 385, 450, 891.
	IV.	220, 422, 423, 430, 460, 510, 530, 610, 620, 630, 640, 650, 6 <b>6</b> 0, 690, 810, 861-865, 870, 871, 875, <del>9</del> 00.
]	٧.	150, 152, 153.
		r, if any, of related cases. (See local rule 40.1(g)). If more than one prior related case has been filed in see indicate the title and number of the first filed case in this court.  Ican Alliance Ins. Co. v. Riso Inc. 04–12260 GAO
Has a	prior actio	on between the same parties and based on the same claim ever been filed in this court? ${\sf YES} \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \$
	the compla SC §2403)	YES NO
If so,	is the U.S.	A. or an officer, agent or employee of the U.S. a party?  YES NO
is th	is case req	uired to be heard and determined by a district court of three judges pursuant to title 28 USC §2284?  YES NO
Do <u>a</u> Mas 40.1	sachusetts	rties in this action, excluding governmental agencies of the united states and the Commonwealth of ("governmental agencies"), residing in Massachusetts reside in the same division? - (See Local Rule  YES NO
	Α.	If yes, in which division do <u>all</u> of the non-governmental parties reside?  Eastern Division Central Division Western Division
	В.	If no, in which division do the majority of the plaintiffs or the only parties, excluding governmental agencies, residing in Massachusetts reside?  Eastern Division XX Central Division Western Division
lf fi yes	ling a Notic , submit a	se of Removal - are there any motions pending in the state court requiring the attention of this Court? (If separate sheet identifying the motions)
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## CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the Purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

The JS-44 civil cover sheet and by law, except as provided by use of the Clerk of Court for the	I the information containe local rules of court. This he purpose of initiating the	form, approved be civil docket she	y the Ju et. (SE	dicial Conference of the LE INSTRUCTIONS ON DEFENDANTS	THE REVERSE OF THE	fORM.) n Ins. Co., Great		
I. (a) PLAINTIFFS, R	iso, Inc.			American In Assurance C	s. Cb. of NY, G o., Great Ameri	can Alliance Ins.		
(b) County of Residence of First Listed Plaintiff Essex, MA (EXCEPT IN U.S. PLAINTIFF CASES)			County of Residence NOTE: IN LAND C LAND INV	Co.  County of Residence of First Listed  (IN U.S. PLAINTIFF CASES ONLY)  NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.				
(c) Attorney's (Firm Name,	Address, and Telephone Nur	mber)		Attorneys (If Known Robert A. K	n) Kole			
Martin C. Pent	. Z			Choate, Hal	Choate, Hall & Stewart 53 State Street, Exchange Place (617)248-5000			
Nutter, McCler	nnen & Fish LLP			3/1	1 01/00 (01/)2-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3			
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☐ 2 U.S. Government Defendant	XX 4 Diversity (Indicate Citizens in Item III)	ship of Parties		Sitizen or Subject of a 🔲 3	Of Business II.	□ 6 □ 6		
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COMPLAINT:	UNDER F.R.C				al. v. Riso, In	nc., et al.		
VIII. RELATED C	ASE(S) instructions):	JUDG E Geo	orge	A. O'Toole	DOCKET NUMBER	04-12260 GAO		
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